reason for it was that at both these places i.e. in Ujjain and Haridwar adequate arrangements were not made. So, the Government should give a statement that on such occasion when large number of people have gathered, why proper arrangements are not made? If it has any information regarding Ujjain, then Government should come out with a statement 13 person have died in Haridwar Today was the day of taking holybath on the occasion of Somvati Amavasya. 13 persons were drowned due to stampede in the crowd The arrangement that was made was not proper. The bamboos which were erected at Mahabaleswar were so weak that people succumbed to their injuries, caused by these I want that the Government should inquire into this matter so that on such religious occasions when people visit these place in large number and die, occurrence of such accidents should be stopped and the Government should give a detailed statement on this

MR DEPUTY SPEAKER The Government should make a statemnt tomorrow on both these incidents.

DR MURLI MANOHAR JOSHI (Allahabad) Mr Deputy Speaker sir, Uttar Pradesh is at present under President's rule Therefore it is the overall responsibility of the Central Government that the arrangements made at these places should be thoroughly inquired into and full information regarding the cause of the accident and the details of the action taken against the officers found guilty of mismanagement should be given to the House

DEFENCE MINISTER (SHRI MULAYAM SINGH YADAV) Sir, the incidents at Haridwar and Ujjain have been very tragic In this regard, the questions asked by hon'ble Mr Joshi and the other members, will be referred to the Governor of Uttar Pradesh and will be requested to make available information regarding cause of accident and negligence on the part of officers Whatever help is required will be provided The same process will be followed in case of Ujjain

14.46 hrs.

DISCUSSION UNDER RULE 193

Steep Pre-budget hike in the administered prices of Petrol, LPG, Diesel and other petroleum products—contd.

[English]

MR DEPUTY SPEAKER The House shall now resume Discussion under Rule 193 Shri E. Ahmed to continue his speech

SHRI E. AHAMED (Manjeri) Mr. Deputy-Speaker, Sir, as I said other day, the decision of the Government to hike the price of petroleum products has put the people into great hardship and difficulty And I express here the sense of resentment on behalf of the people who are to suffer due to this unprecedented hike in the prices of petroleum products

I am sorry to say that the popular Government under the leadership of Shri H.D. Deve Gowda has been forced to take an unpopular decision so soon which, I should say, should have been avoided. The Government may have to go around justifying that 25 to 30 per cent hike in prices was inevitable and it would also mop up for the Government additional resources to the tune of Rs. 8,000 crore during the remaining nine months of the current financial year The additional resources mobilisation in the full year will be more than Rs 18,000 crores taking into account the Excise Duty, Sales Tax etc

I am very much concerned because this hike would definitely result in raising the prices of essential commodities. We had that experience The last price hike of LPG was effected in January 1994 and for other petroleum products like petrol and diesel the price hike was effected in February 1994 So on a perusal of the consumer price index then prevailing in the country before and after the price hike of the petroleum products last time, you would know that there was a steep rise in the prices of essential commodities.

For expamle, Sir, prior to the hike in 1993, from July to December, the pre-hike period being increased in consumer products based on the consumer price index was 11 points But after the price hike of the petroleum products in 1994 January for LPG and February for petrol, the increase during February and July 1994 was 16 points So, this is what is going to happen in this, as a result of the present hike in Price of petroleum commodities also So, this increase in the essential commodities which we are going to face within a few months in future will definitely put an additional burden on the common man.

It is on this basis, sir, that I would request the Government to reconsider their decision of hiking the prices too steep from 25 per cent to 30 per cent in the petroleum products

Sir, there are certain things I would like to observe which have resulted by this hike in the price of petroleum products. We are to take some steps to control the consumption of the oil But unfortunately, our consumption is growing and growing every year And, it is also seen that during 1994-95 the consumption of petroleum products was 65 5 million tonnes showing a growth rate of 7 7 per cent over the previous year In 1991-92, the growth rate in consumptions of petroleum products was 3 5 per cent, in 1992-93 it was 2.4 per cent and in 1995-

96 from April to November the growth rate has gone upto 9.5 per cent. So, it is the duty of the Government to take some steps to reduce the consumption of the petroleum products. The Government is one authority which consumes, for its several activities, a large quantity of petrol and there is no check on the part of the Government in the consumption of oil. Later on, we go to the general public in this respect. And, this is also seen that our import is also increasing, at least, in terms of half a billion dollar a year The growth in diesel imports ought to be seen. It is the net growth in crude oil and petroleum products imports The net total petroleum oil and lubricates import grew from five billion US dollars in 1993-94 to over 6 5 billion US dollars in 1995-96 which implies a growth of nearly 30 per cent between 1993-94 and 1995-96 This is so because our oil companies and refineries are not functioning efficiently. Also, the price hike according to me, is as a result of some lethargic attitude on the part of the Government agencies.

Sir, I have a paper with me. It is *Kaleej Times* from Dubai, dated July 13, 1996 which has also indicated oil prices.

The oil price was much lower in Fabruary. It was below 16 dollars a barrel. But in July it was 17 to 18 dollars a barrel. I will tell you how purchases are made by our companies when there is fluctuation in the market. When the oil price goes down we will not go to the market and we will allow the price to go up. When it goes higher we will be there in the market This, according to me, is a matter the Government should sariously consider and examine The Government should put an end to such a practice. After all the burden is being put on the shoulder of the common man. This is one aspe.. I would like the Government to ponder over and also examine

There was a mention by the hon. Prime Minister of curse in their party meting that the inflation will not be as high as it as been indicated in the papers But the economists of various hues have already come out with the statement that there will be a double digit inflation as a result of the hike. According to experts the impact of the hike in the administrative price of the petroleum products on inflation would be greater than the Government's estimates. There would be price rise and it would push to the freight and the industrial costs

I may be permitted to quote here the observation made by an economist. It has been published in the latest issue of the *Frontline* magazine. It is written by Shri C P Chandrashekhar Perhaps many of the Members of the Council of Ministers also get an inspiration by the thinking of the people like Shri Chandrashekhar What he has mentioned here is :

> "Rising prices now to clear that deficit in a short period amounts to raising domestic prices much more than the 14-15 per cent warranted by the current rupee value of imports.
>
> In doing so, those responsible have ignored the inflationary consequences of raising the prices of universal intermediates like petro-products. Informed estimates of the likely increase in the rate of inflation place it at between 5 and 7 percentage points. This invitation to double-digit inflation though a single initiative obviously affects most adversely the poor and middle income earners, whose money incomes are either not formally indexed to price increase of cannot be adjusted upwards to an equivalent extend."

MR. DEPUTY-SPEAKER : Please conclude

SHRI E. AHAMED : I have only started just now I am the only speaker here.

[Translation]

MR. DEPUTY SPEAKER : Two hours were allotted for discussion on this subject whereas more than three hours have already been taken by the hon'ble Members.

[English]

SHRI E AHAMED I am avoiding repetitions I am just referring to some points which other hon Members may not get an opportunity to do so. So, I may be given a little more time because I am the first and the last speaker from my party Therefore according to him,

> "The oil price increase is therefore akin to an across-the-board hike in indirect taxation"

Therefore this is very much evident There will be price increase in all the products, especially the industrial products.

Noted economist and Director General of the International Institute of Management, Shri Sengupta felt that 'Government expenditure would go up on account of increase in the prices of key petroleum products because the increase in prices of industrial inputs would add to the woes of industries struggling to find a foothold in the liberalised economic environment. This is the situation and this situation has to be looked into

15.00 hrs.

Another point I would like to say is this. We will find that the very good percentage of return on net worth of our oil companies is not because of their efficiency. This is not because of their hard work This is because they have been allowed to retain a return on net worth more then the permissible limit

of 12 per cent. The permissible limit was 12 per cent. Now, we can very well see the position. The return on net worth of Hindustan Petroleum Corporation was 22.27 per cent in 1993-94 and 22.6 per cent in 1994-95; the return on net worth of Indian Oil Corporation, which is much below, was 13.61 per cent in 1993-94 and 15.47 per cent in 1994-95; and the return on net worth of Bharat Petroleum Corporation was 18.88 per cent in 1993-94 and 20.93 per cent in 1994-95. This shows that it was all being permitted by the Government, I should say, even at the expense of the ordinary consumer

Let me also say that because of the inefficiency of the Government, the people have to bear more cost. For instance, wharfage and other port charges may be charged on the actual while computing the retention price. Such charges may be higher than the national or international norms. If a ship takes a longer time to turn round while calling on the Indian ports, the shipper would quite naturally load the additional cost on transportation. But the question that the Indian consumers may well ask is, 'why should we be called upon to bear to burden of the additional cost for the inefficiencies at the port?

15.03 hrs.

(Prof. Rita Verma *In the Chair*)

SHRI HARIN PATHAK (Ahmedabad) : Is the Member reading from *The Frontline* magazine? He cannot read from a magazine here

SHRI E AHAMED : This has been written by an eminent economist, not somebody like you and me . *(Interruptions)*

SHRI HARIN PATHAK : We will go home and read that Why does he waste time?

MR CHAIRMAN Please conclude now. Your time is over.

SHRI E. AHAMED Madam, I was just saying that because of the inefficiency of the transportation system and because of the inefficiency of the Government agencies, the ordinary man has to bear the entire burden

The Government should duly reconsider the present hike in the prices of petroleum products, especially LPG Madam, you know what our housewives say about the rise in the price of LPG. You know what the people are feeling about it. Therefore, I take this opportunity to urge upon the Government to make the entire petroleum sector effective in functioning. This is an abnormal rise in prices It should have been a normal ten per cent to fifteen per cent increase, but it is a twenty-five per cent to thirty per cent increase now I request the Government to reconsider and reduce the prices of petroleum products.

SHRIMATI GEETA MUKHERJEE (Panskura) : Thank you, Madam, for calling me. I shall try to be brief. But my position is a bit complicated. Generally I never want grace. But for this I want your grace.

The first thing which cannot be denied is that our previous Government's policy in regard to this led to a situation where this Government has to face the consequence of the Rs. 4,000 crore withdrawn from the Oil Pool Account as well as the increasing price of petrol in the international market. The value of rupee is constantly going down. So, all these things surely led to a situation where the present Government is in trouble. I do definitely understand that. But unfortunately we have taken over at a time when trouble is there everywhere. We have to find out how to face it. To face the situation, this Government will have to think of various ways and means. And in that respect I have certain things to say

While talking about LPG, Shri Ahmed mentioned about housewives. Although I am a politician, it is true, I must point out that this increase is very steep Let not anybody think that all those who use LPG are very rich people. Even workers today have to use LPG. See the increase. Poor Calcutta, capital of my home State, is the worst hit. There the increase in from Rs. 106.99 to Rs. 138.99, though in Delhi the increase in from Rs. 93.00 to Rs. 121.00. But in Calcutta it is always more and the increase is also heavy.

All of us are burdened with the terrible thing, that is, these gas coupons. I hope an pray, take away these gas coupons from us, MPs. Do not bother us all the time. We have to given it to the people. We know to whom we give. Now-a-days, even in the village poor people also use LPG. Our life is miserably with those hundred coupons. Please take away those hundred coupons and save us from this disgrace. Therefore, we know who uses the LPG from our own experience. So, this is true that LPG price-rice is hitting the poor people also. How to face the situation?

I would suggest that our Government should find some way out. You can have dual pricing system But the prices must be decreased for ordinary people. This is a simple truth. We have to face it. Maybe we have to introduce dual prices. The Government can think over it. It may not be possible to do it tomorrow. It may not be possible to do it today itself. But we have to think over it.

Secondly, I fully agree with the suggestion that the use of petrol has to be seriously restricted, "Apni Achiri Dharam Parere Sekhao"? You yourself should start first. Then, you teach others. Today, my good friends, hon Shri George Fernandes is not here The other day he gave a tremendous speech in which he rightly asked, 'why should we import such cars which

go only six kilometres per litre?'. I fully agree with him. And incidentally, I was one of those who during the last Government's tenure, from the first Budget to the last Budget, have been saying the same thing that we must not import things like that.

We must not import such cars. But only one small thing I would say. I would like to ask Shri George and his allies, with all humility: where does the biggest sale of such cars mostly take place? It is in places like Delhi, Mumbai, Gujarat, etc. In Delhi, of course, we have the Central Government and the Delhi Government both. The Delhi Government is controlled by the allies of Shri George, people who are in the Opposition Benches here. The Maharashtra Government is controlled by Shiv Sena, again an ally of Shri George; and in Gujarat, it is again an ally of his. Did he ever ask them to control it?

Shri Jagmohan has come now. He was the Governor and now, of course, he is in BJP.

SHRI JAG MOHAN (New Delhi) : The Delhi Government has nothing to do with the import policy. The Delhi Government is not a State Government in the full sense.

SHRIMATI GEETA MUKHERJEE : Yes, I know that.

SHRI JAG MOHAN : It has nothing to do with this import policy. It has nothing to do with the consumerist-oriented economic policy which has been followed.

SHRIMATI GEETA MUKHERJEE : I have something to say about this. It is not the question of 'nothing to do'. If you are in a Government of a State, even in a smaller way, with restricted power, you can do it by 101 means, if you want to do.

SHRI JAG MOHAN : We will seek your advice on that matter. Now kindly enlighten the House as to what is the item that you have in mind.

SHRIMATI GEETA MUKHERJEE : I am coming to that. Restriction can be in various ways. We started it with our own way. You can save the petrol likely to be spent by the Delhi Government. That is not a restriction on these people By that way, you can pave the way for restriction among the people so that a legislative measure can be brought against these people. Why do you allow people in one family to have four, five or six cars? Can we not stop that? Should we not move towards that direction? I am saying this about all the Governments including my own .*(Interruptions)* Let it be made clear. When I speak. of everybody, of all the Governments ...*(Interruptions)*

MR CHAIRMAN : Shri Jagmohan, you may reply to the point when your trun comes.

SHRIMATI GEETA MUKHERJEE : Should we not try that so that we can control the expenditure?

Secondly, the most important point is about our own resource of petrol. Are we trying our level best to extract that? Let me tell you that I have been talking about extraction of petrol for a very long time.

In West Bengal, the situation is that the ONGC has ordered that the entire oil-well drilling operation should be shifted away from West Bengal and that it need not be done any more. Shri Janeshwar Mishra is not present here. When I appealed to him, he saw to it that it begins afresh, when he was the Minister for Petroleum, for a little while. That is how, it was stopped at one time. In two wells the work had started and it actually brought out oil of good quality. Even then, it was stopped. Why? It was done by the last Government. The ONGC can save a lot of its money if it tries to control its infrastructural expenses. Can the ONGC not go in with the extraction from those two wells which yielded petrol and gas, through other processes?

The time will soon be over. Otherwise, I would have gone into the whole length of processes that are to be taken up.

Why is so much gas being flared in Mumbai High? I would like to know about it. Those things can be stopped. Should we not try to stop all that? Our Common Minimum Programme has come to one point. If we really can implement it, much of this can be done.

Is there transparency in the deals? Let me say 'no'. If there is no transparency in the deals, then we will see that many of these things are actually done for corruption. Corruption is a source of many of these things. Much can surely be stopped it all these deals are transparent. I wish the United Front Government would stick to its Common Minimum Programme and make all the deals transparent through which they will be able to save a lot of money on different scores. And then, our own resources can really be used in big way. That has not been done. I hope all those things will be done.

Now, who is cornering black-money? Is help being given to the Central Government on that score? Is the Central Government ever trying to do it seriously? I am talking about the last Government No Government is really trying to catch black-money in right earnest - not tinkering here and tinkering there. So, we have to find out the alternative sources or resources. Now there is not much time to go on illustrating what other alternative resources are there. We must respect all the time that these are the ways that we have to follow and not the other way round.

Suddenly faced with such a situation, we have to make the price go up to such a high that the whole atmosphere will be like that, and a new Government will be starting. Unfortunately, the new Government is starting with a high burden. That psychological atmosphere is definitely there. We must try our level best, through whichever way it may be, to vote it out and feel confident that this is the Government which wants to go in a different way. And while doing like that, if there is anything wrong, if there is anything that has been done in haste or through certain compulsions, an after-thought, second thought, or third thought must be given. We can yield to the people's will and if second and third thoughts are given. There is no question of prestige. That adds to the prestige of that Government which can really come to take people's criticism and their feelings. Then accordingly, if necessary, make a change wherever possible.

I would have gone into many other things. But I am not going into all those things. My appeal is that at least the price of LPG may be cut over in a different way. Some concession can be there. I would be very very happy if our hon. Prime Minister can assure us today little-at least on something.

Later on, dual-pricing can be considered. For example, even in the case of petrol, the two-wheelers and cars cannot be on a par. The uses of two-wheelers are a different set of people. So, this dual-price question needs a lot of exercise. That exercise can be done seriously.

Keeping the alternative sources in view, I hope that the huge price hike that has been made in the case of LPG, will be reconsidered and in the case of other items like petrol, the dual-price will be thought over seriously.

I think, I have not taken a lot of time. But I press all this for consideration of the whole House and of the Government. Those who are with the Government and those who are in the Opposition should think about this question seriously and not just try to score points.

[Translation]

DR. MURLI MANOHAR JOSHI (Allahabad) : Mr. Chairman, Sir, this is a very important question, which is under consideration of the House. One reason of price hike of petroleum products is that there was a big deficit in the oil pool and this deficit reached upto Rs 10,000 crore. The question is as to why this deficit of Rs.10,000 crore occurred in oil pool. What were the reasons therefor? Why this deficit was allowed to go up and whether the price hike was the only way to remove this deficit? Whether there could not have been any other measures to solve this crisis?

As far as my knowledge goes, the Petroleum Committee had made a remark in the steering committee for economic reforms and I quote it :-

[English]

> "It is essential that an immediate Action Plan be drawn up to generate surplus in the Oil Pool Account to clear the outstanding within a specified time frame of one or two years. A steep increase in the consumer price, 10-15 per cent across the board is not feasible under the present circumstances as it will have a spiralling effect on all other consumer prices. Other alternatives will be to provide revenue budget support by apportioning a part of cess and other oil revenues earned and diverting that to the Oil Pool Account. In any case, a definite action has to be worked out so that the oil companies' outstanding claims are cleared without any further delay."

[Translation]

This remark was made in August 1995. It means that upto August 1995 Ministry did not consider it proper to increase the prices even by 10 to 15 per cent, but today an increase of 30 per cent has been made and it is the same Ministry which is justifying this price hike. This I cannot understand. This is such an example of mismanagement in the petroleum sector, the production of petroluem and the administered price policy that no amount of condemnation of present Government as well as the previous one is adequate enough *(Interruptions)* I am doing it. This is what I am doing *(Interruptions)* There is no need of referring to the Government of 13 days, forget it. You have as much abused the 13 days old Government as you could. What we could have done, we have done it. But what you could do is before you. Please, listen to me. Please, listen to me. Please hear about your deeds with patience. The entire nation should know what Rao's Government, the Government of Congress, and this Government has done in regard to petroleum sector. This is the mismanagement of petroleum sector due to which our internal production is going down continuously. There is a story behind decrease in the petroleum production. There was 21.7 per cent per year increase in the production of crude and petroleum during the 6th Plan period. This increase came down to 3.3 per cent during the 7th Five Year Plan from 1985-90, and this production went down. That means there was no question of increase in it, rather this production further went down to 3.1 per cent.

[English]

It is a decline by 3.1 per cent over the production of 1989-90 and in 1991-92, production was 30.34 million tonnes as against the production of 34.09 million tonnes in 1989-90.

[Translation]

The production of crude oil went further down in 1990-91. This decreased further in 1992-93 and this was around 26.95 million tonnes. Its production was 34.09 million tonnes in 1989-90 which decreased to 26 million tonnes in 1992-93. How did it happen? This situation remained same in 1993-94 and in 1994-95 it was hoped that there would be a production of crude oil upto 32 million tonnes. How it is for the Government to reveal what was the production. My guess is that it did not go beyond even 30 million tonnes. That is how the internal production of crude oil is going down every year.

My friend from West Bengal is sitting here. As far as my knowledge goes, the entire West Bengal and the Bay of Bengal have lot of potential for over oil. But I do not know why the Government has not taken steps to do something in this regard. Now you have got one of your alliance party's Government there. You please exercise your pressure on it that oil be explored from West Bengal and the Bay of Bengal and internal production be increased as soon as possible.

[English]

DR. ASIM BALA (Navadwip) : We tried our best and still we are trying.

[Translation]

There is no justification for making this kind of remarks.

DR. MURLI MANOHAR JOSHI : You try, they should also try and we would also try. I feel very sorry to say that what should have been done for the exploration of crude oil in India has not been done. The surcharge which was taken in order to increase our oil production in not being utilised in this direction. This is such an area in which the world forces are cooperating with one another. We should also cooperate them and instead of depending an outside energy we should try to enhance our petroleum production and the energy derived from petroleum. The production in our country is going down and the consumption is increasing. Because of this, anomalies arise and we need to import more oil. The quantity of import is increasing. The import of petroleum products in 1990-91 was 12.3 per cent which rose to 21.2 per cent in 1992-93. This pace is increasing because the number of vehicles, two wheelers and three wheelers is increasing. The number of trucks is also increasing because there is a need for transportation of goods so that consumption is increasing. Therefore, if the internal production is going down then you have no alternative but to import oil. On the other hand the devaluation of rupee is increasing. Thus with increasing import and devaluation of rupee, the prices of crude and petroleum products will go up. If you understand it, then what measures you have taken in this regard? This question is before the nation. The nation wants to know what you have done in order to stabilize the prices of petroleum products and increasing their production and reducing their import.

I feel that there has been maximum carelessness. The cost of import of oil over the last three years has been 17.18 thousand crores. We had imported oil worth Rs. 6344 crore in 1989-90. An import of Rs. 17838 crore or more in 1995-96. This will go upto 31-32 thousand crore rupees because of the value of dollar going up and the value of Rupee going down. I am talking about 1989-90. Then the price of dollar was Rs.18, today it is Rs.36. It can be easily understood that if there is increase in import and consumption, the prices will go up. What were you doing? What steps did you take to contain the prices? What have you been doing for the last four years? It is very strange. The Government has been increasing the prices of petroleum, crude oil and petroleum products. It is the fifth time when the prices have been increased. The prices of petroleum products were increased in 1990 for the first time when the Gulf War was in progress and it was stated that the international prices of petroleum were increasing, therefore the Government was bound to increase the prices and 25 per cent surcharge would have to be levied on petroleum. Therefore, the Government levied 25 per cent surcharge on petroleum products. When the Government had increased prices in 1989-90 during Gulf War, then it had mobilised the resources worth Rs.2256 crore for this crude oil. again, when the price increase was made second time in 1991, the Government had mobilised resources worth Rs.5006 crore. During the years 1991-92 and 1993-94 the resources mobilised were worth Rs. 2054 crore and Rs. 2460 crore respectively. It is not that you are not mobilising resources. The Government, by increasing the prices of petroleum products has mobilised 10-11 thousand crore rupees 3-4 times. Inspite of this why the crude oil suffered losses? No price increase was made during the years 1994-95 and 1995-96 therefore no resource was mobilised. But due to increase in price in 1996-97, the Government will be able to mobilise Rs.12900 crore in one year and Rs.9000 crore during the next nine months. While the Government was mobilising the resources of Rs.2200 crore during 1989-90, it is going to mobilise resources worth Rs 12900 crore during 1996-97. You have made

mockery of the system. You should think as to how much burden you are putting on the people of the country.

When the Gulf War was in progress you had stated that international prices were increasing therefore it was necessary for you to increase the price and at any cost you could not decrease the prices and therefore you increased the price. But under what compulsion you are at present? Why do you not withdraw the surcharge levied at the time? You can very well see that the prices of petroleum products have fallen rapidly in past. The prices of petroleum products were increased during 1990 because per barrel cost of petrol during 1989 was Rs 17 31 in terms of dollar. During 1990 it rose upto Rs. 22.26. You said that you were levying 25 per cent surcharge When this price came down to Rs. 18 62 during 1991, why did you no withdraw the surcharge? You had levied the burden of 25 per cent on the people of the country, why was that not withdrawn? You had made commitment before the country, the people of the country and the House that you would withdrawn the surcharge of 25 per cent. I would like to request Shri Nirmal Kanti Chatterjee to put his pressure on the Government to withdraw this surcharge I request you to withdraw this 25 per cent surcharge You may increase it upto 30 per cent but I do not think that the situation as such will arise You could have withdrawn this 25 percent surcharge and increase 30 per cent prices but you did not do so. I think, you do not want to do so The prices are decreasing constantly The price of per barrel petrol was Rs 18 44 during 1992, Rs 16 33 during 1993 and Rs 16.30 during 1994, thus the international prices of petrol have been constantly decreasing. No doubt there was a increase in July last but overall the international prices were either static or there was decrease. Why did you not import oil and purchase crude oil on cheaper prices at that time? When the refineries as over the world are making 90 per cent, of their capacity utilisation, why the figure is 65.70 per cent in our own case?

I suppose that the hon Defence Minister and the Hon Tourism Minister are least bothered about the price-hike. I would like to draw your attention towards the situation of the country and would like to know as to how you would solve the problem of the country by adopting such attitude? You are requested to take these points seriously, but I am sorry to say that the Government is not taking it seriously and is laughing away the matter. It was not expected from the Government

SHRI MULAYAM SINGH YADAV Are you taking it seriously?

DR MURLI MANOHAR JOSHI : No, I am talking about you. You are Defence Minister It is very important issue for you. If the increasing trend in the prices remain the same, a major share of your budget will be lost in it. You are related to tourism, please pay attention. If the prices are increased in the country and the Government hikes the air fare then what will happen to you. You are also requested to pay your attention towards this issue seriously. Our Government did not think it proper to purchase petroleum and petroleum products when there was recession in the international market. Neither you increased the efficiency of refineries nor intend to do so. You say that you are helpless since the oil pool has suffered loss and that has to be off set The hon. Finance Minister, some days ago, had very politely stated that the account of oil pool was self sustaining and self modulating. We do not withdraw any amount from it. I think, the Government had withdrawn more than Rs 4000 crore during eighties from this oil pool Why was that amount not deposited back? You only want to play with the statistics, by withdrawing money from this account and showing it in the other and then you show that budgetary deficit is brought down Please stop doing it Thus withdrawing money from this account and showing it in some other account, you dodged people for 5 to 10 years and then you say that prices will have to be increasing because the pool is incurring losses You alone are responsible for this loss ...*(Interruptions)*

Look the charisma done by you. The price of petrol during 1991 was Rs. 9.84 per litre and today during 1996 it has reached to Rs. 21 14 per litre The price of diesel has gone up from 4 Rs. and 8 paise per litre to 9 Rs. and 4 paise at present Look, how much increase you have made in prices during five years. You innocently reply that this price hike is not going to cause inflation and the prices will not shoot up and everything will normalise It will hardly increase the price index by 1-2 points but actually it is not so. Several economists have given their opinion. My friends Rahman Saheb has already quoted the opinion. My friend Raham Saheb has already quoted the opinion of Shri Nitish Sen Gupta but Shri Charan Wadhwa—Centre for policy Research—says that due to it the wholesale price index will go up by 2.5 per cent and it will have cascading effect It will prove as instrument n increasing the prices of other things Shri Sashank Bhide National Council for Applied Economic Research also supports this opinion All the institutions related to trade and industry have drawn their attention towards this problem and stated that it will lead to soaring of prices. *(Interruptions)* I would like you to match your announcements with those of your deeds. If you really had tried to help, you could have put it under Rule 184 for discussion and we could have voted in the form of censure motion

brought against the Government. Then we could know that you have sympathy for common man. Otherwise, we will from the opinion that you are giving only a lip service...*(Interruptions)* I am aware of your helplessness. Confederation of Indian Industries and other institutions say that due to 30 per cent increase in petroleum, the prices of all other commodities will certainly increase. It further says that this increase is against the common man and the farmers. This view has been expressed by PHD Chamber of Commerce. Federation of Indian Chambers of Commerce and Industry also opines that it will have cascading effect. The entire economy will be marred with morbidity. The Associated Chamber of Commerce and Management has also the same opinion. The Federation of Indian Export Organisation has also the same opinion and states that is will lead to heavy losses and the adverse thing is that most of the Indian Industries will lag behind in international competition because this increase does not remain confined upto only petroleum, diesel and kerosene. Today, many petroleum products are used as input in many industries. Many industries use them as raw material which are further used in many other industries. The entire plastic industry depends on that and many other industries. The entire plastic industry depends on that and many other industries are totally dependent on plastic industry. The entire chemical industry is dependent on that and the medicines, some of them being chemical formulations, depend on that. Therefore, the increase will not only affect the petroleum, it will also affect medicines, textiles and dyes and paints. It will also cost its impact on sheets used in houses and rexine. Today, we use a large number of products in our day to day life prepared with the help of petroleum products. The prices of all those things will increase in which these things are used as raw material. Therefore, the industrial progress which you are talking about will stop and industrial production will be adversely affected and the products will become costlier and will also lag behind in international competition. When production will not remain globally competitive, your exports will become costlier. Then you will have to resort to the devaluation of the money and again you will be trapped in the vicious circle.

[English]

You have been caught in a vicious circle

[Translation]

First, go through the process of devaluation of rupee. Thus, foreign exchange reserve will decrease. To meet that difference, you will get loan from abroad. Then pay more money towards interest on the loan and ultimately public will be over burdened. This vicious circles will keep on going continuously. The foreign exchange reserve has been reduced from 20 million dollar to about 16.5 million dollar. The import bill of petroleum products is increasing. Thus the trade gap is increasing gradually. How you will make a balance? What is your position? The Rao Government which has made you to be in this position and whom you are supporting..

SHRI B.K. GADHVI (Banaskantha) : The Members of Rao's party are supporting them.

DR. MURLI MANOHAR JOSHI : Both have been supporting each other but both are responsible for this situation. Public will not forgive them.

SHRI K.D. SULTANPURI (Shimla) : You will get an opportunity to come in power.

DR. MURLI MANOHAR JOSHI : Rest assure, whenever we get an opportunity, we will improve it ...*(Interruptions)* The fiscal deficit which was Rs.36325 crore in 1991-92 has become double i e Rs.74634 crore in 1995-96. This is the financial deficit of this country. This is the performance of your Government to which you are giving support. This is the Government being protected by you. How is this alliance for increasing financial deficit and to bring this country under the net of debts? Till 1980, the revenue deficit used to be 32 per cent but now

[English]

Sixty-two per cent of Government borrowings are being used in meeting revenue deficit

[Translation]

You are using 62 percent of Government borrowings in meeting the revenue deficit Earlier, it used to be only 32 per cent but now it has doubled. The Government is stating emphatically that it would manage the things.

SHRI B.K. GADHVI : Still budget is to be presented...*(Interruptions)*

DR. MURLI MANOHAR JOSHI : This is the impact of the earlier budget. You are again trying to increase the budget by raising deficit upto Rs. 9000 crore By making provision in the budget for this deficit, you want to mobilise your resource. You want to keep the fiscal and revenue deficit under control otherwise the investors who are going to invest will not come forward. But when they will come to know about the actual position of the Government and when they know about the price-hike done by you, they will be aware of your real condition. The primary consumption deficit has increased from 27.5 per cent in 1990-91 to 66 per cent in 1995-96 as a result of that the Government expenditure is increasing The increase in the prices of petroleum products will lead to the increase in all sorts of expenditure. The major consuming organisation of Petroleum is Government itself. So expenditure of Government will

increase. It means that non-planned expenditure is going to be increased and you will not be in a position to implement the Fifth Pay Commission's recommendations. You will not be in a position to do any work of public interest.

[English]

You will not be in a position to implement any welfare schemes.

[Translation]

You will not be in a position to launch any of the employment schemes of the Prime Minister. It has been announced that the Government would provide drinking water to the village but it would not be able to provide even a single hand-pump because the Government has no funds

AN HON'BLE MEMBER : Suggestions should also be given, you are criticising only.

DR. MURLI MANOHAR JOSHI I will give suggestions also I will tell all the things. Please keep patience We have formed the Government in Delhi State and very soon we will be able to form the Government at Centre You should not be worried about it After coming to power at Centre, we will improve economy of this country and free the country from foreign debt You keep on looking what we will do You are responsible for this situation External aids are decreasing gradually and net inflow has been 674 crores This is the result of being depended on foreign aids which was the basis of your economic policy which you are supporting and the Finance Minister is following. It is appearing in all the newspapers that you had net inflow of .674 crores This is the only result of your wrong economic policies and the entire country is facing its impact You commit mistakes in implementing economic policy and leave the common man to suffer its consequences.

You have three options to meet this situation- one option is that let the present situation of the economy continue and keep on taking loans from abroad and spending it lavishly. If anybody asks you as to how you would repay it then you will say that once you get out of power who will ask you to repay the loan

"Yawat Jiwet Sukham Jiwet,
Rinam Kritwa Ghritam Pivet,
Bhasmibhutasya Dehasya,
Punaragaman Kutah"

Then who will ask for repayment and who will go to pay You have an option Whatever you are doing.. *(Interruptions)* This option is very easy for you but the coming generation of the country and their children will have to suffer from its consequences. Once your policies are implemented, this country will have to be pledged. I want to caution you about the result of the debt policy you are following. Avoid it. Ibrahim Saheb you have been opposing to this policy but why you are keeping mum today? You should oppose this policy. Do not allow it to run. The party to which the hon'ble Prime Minister belongs, has been criticising this policy. But now you are moving towards this debt policy and going to bring this country under the net of debts. No, a person, a VIP or patriot of the country will allow this country to move on the path of indebtedness India cannot survive with such a huge amount of debt. It is very sad to say that today, you have made our country the third most indebted country of the world. I feel more pain when the supporters of such policies who are sitting here. *(Interruptions)* Why are you showing hands You should oppose it by voting Why are you supporting this policy?

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) You should address some of the questions to Shri Jaswant Singh. He made a statement when he was Finance Minister for 12 days. Ask him to reply to some of your questions

[Translation]

DR. MURLI MANOHAR JOSHI : I am asking you as to why are you should tell about your opinion

The second option before you is that you should enhance the production of petroleum and keep control on its consumption But you are a supporter of all policies of consumerism. You are importing Mercedes which cost Rs.20 to 25 lakh You are manufacturing such a new vehicles which will consumer costlier petrol and not the ordinary one How I can expect that you will keep control on the consumption of petrol because you are not able to do so.

The third option, I am not sure that you will be able to do it or not. If you want to reduce the deficit of import pool and make a balance between export and import, you will have to find out a substitute of petrol. Any other fuel will have to be used in place of petrol. On the basis of a little knowledge of Science I possess, I would like to say that India is competent enough to uses power alcohol in place of petrol being uses at present It can be made of sugarcane directly

AN HON'BLE MEMBER . It is under trial.

DR. MURLI MANOHAR JOSHI . For how long trial is being done? We are talking about it for the last 10 yeas. In Brazil, power alcohol is being used by vehicles for the last 12 years and you are still doing trial. All the countries in the world are well aware of this technology while you are on trial Whom

you want to make a fool? The whole world has already completed its trial, what are you talking about. This technology is available in the entire world Not only this, vehicles can also be operated by sing gas. I know such common mechanices of this country who operate their two wheelers, motor-cycle and scooter by using small gas cylinder. You are flaring up in the entire country. You can stop it. But you are claiming to be sympathetic to the farmers. Hon'ble Defence Minister often cries for the cause of farmers. Shri Kalp Nath Rai is sitting here who has been the Agriculture Minister. What is your problem in developing this technology is the country? The reason behind it is that you have some nexus with international racket. You get kick-back in the import deal of crude petrol. That is why you do not want to stop it. You talk of sugarcane growers' sympathy. Grant permission to produce power alcohol and to open sugar mills in the country. If you do so, farmers of this country will become happy and the vehicles will run very fast. It has no sort of pollution.

[English]

It is eco-friendly, it is cheap and it is in our control

[Translation]

We are heavily dependent on other countries for the import of crude oil. During war, they can stop the supply whenever they like. It has happened before. America had imposed sanctions several times earlier. We may also face such a situation. Today, the world has become comlex. America is threatening us daily to sign the Comprehensive Test Ban Treaty otherwise it would impose sanctions This may include putting hurdles in the import of petrol. By sending ships in the Gulf, it can stop the supply of petrol. Our country has rich energy resources and we can become self sufficient. No country can think of allowing the foreigners to have control over its energy resources but our Government is doing so. You do not want to make the people see the reality. We have alternative sources of energy in the country, but the Government does not want to make use of them.

Therefore, I would request you to concentrate on these facts. I would like to draw the attention of the Prime Minister to the August 1995, report of the Standing Committee of Petroleum which contained the comment made before the Economic Reforms Committee and it was clearly stated that 10 to 15 per cent increase in cost would be unjustified But the Government have hiked it by 30 per cent. You should not make it a prestige issue I know, you lack experience, therefore mistake can be made You were full of enthusiasm as you were in a hurry and wanted to mobilise resources to present a populist budget But your entire plan has been exposed You should openly acknowledge your mistake and roll back the price hike.

Madam Chairman, I would request him that for this, there are other ways. Therefore, there is no justification for the price hike in petrol, diesel and gas. In this regard the entire nation is ready to help you. Yesterday, bandh was observed in several parts of the country. The bandh was complete in Uttar Pradesh. People are angry and seething with rage To prevent this from snowballing the Government is requested to reconsider its decision. The coalition partners should put pressure and persuade the Government that mistake has been committed By accepting the mistake your stature will increase In your speech, you spoke a lot about the farmers. But petrol price hike is antifarmer. It is a cruel joke on them. This will make the pesticides and fertilisers costly. Both are used by the farmers. The price of canvas used by the farmer will rise. The Defence Minister himself had done farming in Uttar Pradesh It seems there will be two-fold price rise all round This is a dangerous steps you have taken You think over it seriously. Where do you want to take this country? Do not further deteriorate the economy of the country which is already not doing well. For God sake withdraw the price hike. With this request I again appeal that it is essential to withdraw the price hike

KUMARI MAMTA BANERJEE : Madam Chairman, I am grateful to you for giving me opportunity to speak on price rise.

[English]

We all remember the opening lines of Panditji during the Proclamation of Independence. He said at the stroke of midnight: "When the world sleeps. India wakes up". Forty-nine years later, literally at the stroke of midnight, after some close-door manifestation, the Government announced this administrative price hike which is destined to put the country in a deep economic c is

[Translation]

There was price rise even during the Congress Government But it was never more than ten per cent. But the United Front Government has created a record I am not aware how they did this, which resulted in 25-30 per cent price rise

Madam Chairman, I have seen the manifesto of the United Front Government. They had mentioned

[English]

> "We would bring down the Consumer Price Index."

[Translation]

But price rise has been exorbitant in the month I do not desire to get political mileage by speaking

on this issue because it is not a political question, rather, it concerns the common men. If someone holds Congress is the second largest party in the House. I want to ask the Prime Minister, whether this decision was taken in consultation with the Congress Party?

I want to draw the Prime Minister's attention on one more aspect. Today several papers have published the Prime Minister's decision of not taking back the price hike. Whether this is true or not, Shri Jena has said in this regard·

[English]

> "The Prime Minister has not met any Press person". That is Okay But it is reported in the Press that the Prime Minister has said so

I want to know one thing When anything discussed in the House, then it becomes the propriety of the House If the Prime Minister has said this outside the House, then the House should take note of this. One can become big leader, a Prime Minister by speaking on such matter which concerns the common men but inspite of a fight for power one has to safeguard the interest of the common men I want to request that the United Front Government should think about it I hope the Prime Minister will assure the House, because we are discussing under rule 193 This discussion is not under rule 184 Nor is it a discussion on Adjournment Motion Discussion Under Rule 193 does not mean a mere discussion But I want that there should be some meaningful discussion which may convey the message to the people of the country, that the United Front which is supported by the Congress, can not remain in power by raising the price of essential items I appreciate, that it has been done to curb the consumption of petrol But there are several other methods to do this I request the Government to adopt those methods Leaders make tall claims but if they show the way then the common men would follow suit *(Interruptions)*

16.00 hrs.

MR CHAIRMAN You may Speak Mamtaji

KUMARI MAMTA BANERJEE I will speak But the Prime Minister should also listen to the discussion

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T R BASLU) Madam, you go ahead We are here to take notes

KUMARI MAMTA BANERJEE That is all right But as the Prime Minister is here, I want to bring it to his attention *(Interruptions)*

[Translation]

Madam, austerity measures should have been taken first. Has the Government taken austerity measures? Madam, the price of cooking gas differs from State of State. In Calcutta it was Rs 106 99. which has been increased to Rs.136 66 In New Delhi it was 93 78, which has been increased to Rs 120.95. In Madras it was Rs. 98.04 and now it would be Rs. 125 60.

16.01 hrs.

(Shrimati Geeta Mukherjee *in the Chair*)

Sales tax on cooking gas in Mumbai, Madras and Delhi has raised Its price by Rs. 25 to Rs 50 But due to the Sales tax in my State its price has increased to Rs 131 You tell us, what is the income of the poor people, such as, the workers, and those of the labours? How much pay does a Government servant get Cooking Gas is used in the households of farmers So should the cooking gas not be used by the farmers If the price of Cylinder is increased by 30 Rupees, one can well imagine the plight of LPG users I do not wish to speak from any political angle but many people have sent me telegrams and have telephoned me to ask why we did not oppose it and where it was necessary to hike the prices of LPG

[English]

I appreciate that the Government gives subsidy But there are certain areas where the Government is bound to give subsidy like fertilisers where Government has to give subsidy You cannot deny the Defence sector You have to give money for the Defence sector You have to give subsidy on cooking gas and diesel etc

[Translation]

Do you know that the increase in the price of Diesel and Petrol will equally affect a two wheeler owner as well as a farmer who uses a diesel pump for agricultural purposes Those who use tractor for cultivation would also find it expensive to do so The increase in the prices of diesel and petrol will indirectly affect the prices of essential commodities too There are certain instructions issued by the Government regarding essential commodities which can be applied in case the prices of such commodities are hiked However, no State follows it You should ask for a report from the States regarding the number of black marketeers and hoarders and the details of those arrested In absence of which such things happens like the administrative price for potatoes was announced as Rs 5 but its price rose upto Rs 8-10 within two days time The price of onion which was Rs 7, went upto Rs 10 The prices of chillies, potatoes and other commodities have also soared high

[English]

Madam, From vegetables to fertilisers, everywhere the prices are being increased. I want to tell the hon. Prime Minister that the increase in prices by 25 to 30 per cent is unprecedented. May I request you, Sir, to reconsider it in the interest of the common people, in the interest of the middle-class people, in the interest of farmers, in the interest of the workers, in the interest of the Government employees and other employees? I do not think it is a matter of prestige. The first priority must be the people of this country. The effect of this will be on the small and marginal farmers, small-scale entrepreneur, salary based middle class people and those 40 percent who are below the poverty line.

[Translation]

They would also be affected by this. What would happen to the poverty eradication programmes of our Government *viz.* NRY, JRY, RNEGP, RIDP. What would be the fate of Prime Minister's Rojgar Yojana.

There are many such villages in our country where people do not get electricity, water. But if the prices of petrol and diesel are not reduced, the rates of electricity and other things would also flare up. With an increase in the rates of electricity, prices of all other commodities would go up. You are aware that 40 per cent farm labourers in our country are living below poverty line and they require all sort of help

It is a fact that with the increase in the prices of petrol and Diesel, inflation rate has gone up by 4 per cent. If we do not reduce the prices, the inflation rate would rise further. Who will suffer then? The whole country is going to suffer. Hence I seek your help and I request you to take pro-people stand.

You would be surprised to know that not only the prices of essential commodities but the prices of some essential medicines have also increased. This morning Geetaji was telling me that the rate of life saving injection meant for the patient of Thalessemia which cost Rs.1600 earlier has been increased by Rs 400. A patient requires two injections every month and with this increase, he would have to cough up Rs 900 more for two injections. It would be more difficult for him to make the both ends meet. It is the responsibility of the Government to provide food, clothing and shelter to its people.

[English]

MR. CHAIRMAN : Hon. Mamata Benerjee, now a statement is to be made by Shri I.K. Gujaral on India's position with regard to CTBT

KUMARI MAMATA BANERJEE : Shall I wait for few minutes?

MR. CHAIRMAN : Yes, please.

16.07 hrs.

STATEMENT BY MINISTER

(il) India's position with regard to Comprehensive Test Ban Treaty (CTBT)

[English]

THE MINISTER OF EXTERNAL AFFAIRS (SHRI I.K. GUJRAL) : Almost 50 years ago, India took the lead in calling for a ban on nuclear testing. In fact, in this very House, Jawaharlal Nehru addressing the Lok Sabha on 2nd April, 1954 after the first hydrogen bumb test was conducted, called for a 'standstill' agreement to halt nuclear testing pending progress towards elimination of nuclear weapons. Since then, we have persisted with our efforts to convince the international community of the need for a CTBT which would bring an end to the qualitative development of nuclear weapons and mark the first step on the road to nuclear disarmament.

In the Conference on Disarmament, the CTBT negotiations have now been going on for two-and-a-half years. The negotiators have the unambiguous mandate to conclude a CTBT which would "contribute effectively to the prevention of proliferation in all its aspects, to the process of nuclear disarmament and therefore to the enhancement of international peace and security". We have participated actively and constructively in these negotiations and have put forward a number of proposals consistent with the mandate. We have stated clearly that the CTBT must be truly comprehensive and not leave any loopholes that would permit nuclear weapon states to continuous refining and developing their nuclear arsenals at their test sites and laboratories. We have underscored the importance of placing the CTBT in a universal disarmament framework, as part of a step by step process aimed an achieving complete elimination of all nuclear weapons within a time-bound framework.

It is a matter of regret that the CTBT, as it has emerged, does not go justice to the mandate. Without being anchored in the nuclear disarmament framework, it will not contribute to the process of nuclear disarmament. Our proposals were put forward in a constructive sprit in order to engage in negotiations. These were not presented on a take-it-or-leave-it basis. What we are seeking is a commitment to engage in negotiations that will lead to the elimination of nuclear wapons within a time-frame. Naturally, we have our own idea of what is a reasonable time-frame but we are willing to negotiate this with other countries. We realise that such negotiations are not a part of the CTBT but we would like the CTBT to act as a catalyst for these negotiations. Without such a commitment reflected in CTBT, we are convinced that this treaty will be an end in itself rather than a first step on the road to